



RESOLUTION

PROPOSED ALASKA ENERGY AUTHORITY ASSET ACQUISITION

WHEREAS, Chugach Electric Association, Inc. ("Association") is a Purchaser of the power generated by the Bradley Lake Hydroelectric Project ("Project");

WHEREAS, the Association is currently in the process of acquiring substantially all of the assets of Municipal Light & Power ("ML&P"), including ML&P's percentage interest in Project capacity and energy output under the Project Power Sales Agreement;

WHEREAS, following the Association's acquisition of ML&P's interest in Project capacity and output, Chugach will be obligated to pay Project related costs associated with ML&P's former capacity and output rights under the Project Power Sales Agreement;

WHEREAS, the Association is a Member of the Bradley Lake Project Management Committee ("BPMC") which manages the Project;

WHEREAS, On May 22, 2020 Alaska Energy Authority ("AEA") and Homer Electric Association, Inc. ("HEA") entered into a Letter of Intent containing the terms and conditions under which AEA would purchase and HEA would sell certain electric transmission facilities and properties that are currently used by HEA to provide electric service to Purchasers of the power generated by the Project ("Proposed Transaction");

WHEREAS, On July 17, 2020 the Bradley O&D issued its Report on the Proposed Transaction concluding that the Proposed Transaction: (i) is based on sound economics for the Project, (ii) is fully consistent with the meaning of "Prudent Utility Practice" as defined by the Power Revenue Bond Resolution, (iii) meets the national standards for the electric utility industry, and (iv) is Required Work as that term is defined in the Bradley Lake Power Sales Agreement;

WHEREAS, BPMC Resolution No. 2020-02 dated July 24, 2020, adopted the Bradley O&D Report which contained the conclusion of the Bradley O&D that the Proposed Transaction is Required Work under the Power Sales Agreement;

WHEREAS, the BPMC supports the Proposed Transaction subject to final approval of the governing bodies of the individual BPMC Members;

WHEREAS, Management has reviewed and considered the Report on the Proposed Transaction prepared by the Bradley O&D and approved by the BPMC;

WHEREAS, Management has concluded that the Proposed Transaction is based on sound economics from its perspective as a Purchaser and has recommended approval to the Association Board of Directors;

WHEREAS, AEA has worked with the Alaska Industrial Development and Export Authority (“AIDEA”) on financing the Proposed Transaction with Private Placement Funding under the Sustainable Energy Transmission and Supply (“SETS”) program (AS 44.88.650 – 44.88.690);

WHEREAS, the BPMC is responsible for selection among alternative methods that involve AEA for funding Required Project Work;

WHEREAS, in Resolution No. 2020-03 dated July 24, 2020, the BPMC reviewed and approved the preliminary terms and conditions for financing the Proposed Transaction;

WHEREAS, the BPMC would like an indication from its Members’ respective governing boards whether the terms and conditions for financing the Proposed Transaction that AEA has worked out with AIDEA are acceptable to the individual utilities comprising the BPMC; and,

WHEREAS, it will be a requirement of the financing that the governing boards of the individual Purchasing Utilities approve the preliminary terms and conditions of the Proposed Transaction.

THEREFORE, BE IT RESOLVED THAT, the Association’s Board of Directors supports the Proposed Transaction;

BE IT FURTHER RESOLVED THAT, the Association’s Board of Directors approves the preliminary terms and conditions for financing the Proposed Transaction that were approved by the BPMC and AEA;

BE IT FURTHER RESOLVED THAT, assuming the acquisition of ML&P closes, the Association’s Board of Directors approves the Association undertaking ML&P’s obligations under the preliminary terms and conditions for financing the Proposed Transaction where appropriate; and,

BE IT FINALLY RESOLVED THAT that the Chief Executive Officer be, and hereby is, authorized and empowered to take such further action and to execute and deliver (or delegate the execution and delivery of) all such further agreements, certificates, instruments and documents, in the name and on behalf of Chugach; to pay or cause to be paid all expenses; to take all such other actions as the Chief Executive Officer shall deem necessary, desirable, advisable or appropriate to consummate, effectuate, carry out, support, or further the Proposed Transaction and financing contemplated by this Resolution; and that any and all such actions heretofore or hereafter taken by the Chief Executive Officer hereby are, adopted, affirmed, approved, and ratified in all respects as the act and deed of Chugach Electric Association, Inc.

CERTIFICATION

I, James Henderson, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 23rd day of September 2020; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation on the 23rd day of September 2020.



Secretary